

VH: 6562

5 November 1953

DCOP

Operational - [ ] Contact Report #53-35 (Previous report erroneously numbered #53-33), 3 November 1953

Meeting Arrangements:

1. a. As previously arranged, the case officer met [ ] at the latter's apartment at 1315; the meeting lasted approximately one and one-half hours.

b. Nothing further to report.

Commercial/Administrative:

2. Little discussion was devoted to business matters in this meeting. [ ] commented briefly on the following points:

a. The loan of \$ 1,000,000 was granted by the Laenderbank.

b. The Lins situation remains about the same, with the Laenderbank continuing to go downhill.

c. G-12 continues to improve its position, and G-16 shows some prospects of eventual success.

3. [ ] stated that G-6 would be coming to Vienna on 21 November. He added that G-6 had commented that he was soon to visit one of their mutual "friends" from the States in Paris within the next week. Neither [ ] nor the case officer could determine whether this "friend" was from G-5 or the New York Group.

Operational:

4. The principal portion of the meeting was devoted to discussion of Austrian political developments. [ ] commented that the speech of G-19 in the Landesrat on 30 October had been a surprising one, in that it was susceptible to a number of interpretations. In addition, the speech of Altkoordinator FISCHER (KPOs) had been unexpectedly full of sweetness and light. The agent commented that the reaction to G-19's speech at the time it was made was one of complete boredom, since it was long and not particularly enervating. On later study, however, [ ]

DECLASSIFIED AND RELEASED BY  
CENTRAL INTELLIGENCE AGENCY  
SOURCES/METHODS EXEMPTION 3828  
NAZI WAR CRIMES DISCLOSURE ACT  
DATE 2006

came to the conclusion that this speech was a cleverly phrased proposal that Austria adopt a policy of neutralism in the interest of obtaining a peace treaty and Austrian independence. Since C-19 is the leader of the GeVP element in the legislature, this speech was undoubtedly cleared with Raab before its delivery. [ ] felt strongly that CRISPINAL 2 should answer the proposal in this speech, and for that reason an editorial was published on 1 November titled "Kein Schritt von Weg", which reaffirms the basic thesis that Austria belongs to the western community of nations and should not indulge in neutralist opportunism to achieve its short-term goals. In addition, [ ] personally wrote a rather biting commentary on a group of Austrian "Sportlers" who were voyaging to Moscow at a time when Austrians were still being held in Russian camps. On this last article a spokesman, unidentified, from the Karmelz felt impelled to telephone [ ] to ask him why he continued to jab at the Russians at this time; presumably the Chancellor did not appreciate the article, because an underling would be unlikely to take such a step without authorization. [ ] added that CRISPINAL 2 is now running a series of articles based on Gruber's forthcoming book in the hope that they will on one hand buttress Gruber's position and on the other remind readers of the dangers of secret negotiations with the Soviets.

5. In this general context [ ] pointed out that as yet Raab had taken no tangible step which could be considered as being in the direction of Austrian neutralism. He felt that C-19, with whom he discussed the speech of 30 October, had not yet made up his own mind; C-19's answer to [ ] question "Do you contemplate an arrangement whereby Austria would be precluded from joining the pact between the western nations?" was equivocal to the highest degree. With regard to Raab, [ ] does not pretend to know what the man actually thinks; he does believe, however, that the general aim of sympathy regarding Raab's intentions has passed beyond the point at which one could safely sit back and say that Raab is "pro-western" and will not be neutralist. Foreign-Secretary Gruber is expected to return to Vienna in the near future, and [ ] plans to solicit his views in the coming week.

6. In a discussion of the extent of influence which CRISPINAL 2 could exercise to prevent a trend toward neutralism, the agent commented that the newspaper was the most widely-read Austrian newspaper abroad; Furthermore, domestic and foreign business circles concerned with internal Austrian economic affairs depended for the most part on CRISPINAL 2. Since the newspaper has advocated inclusion of Austria within the western group of nations since its establishment, and for that reason has consistently supported the foreign policy of the coalition, [ ] felt that Raab would expect the opposition of CRISPINAL 2 to his foreign policy to be regarded abroad as conclusive evidence that the previous policy had been drastically changed. While of itself the opposition of CRISPINAL 2 would not prevent Raab from embarking on a neutralist policy, [ ] judges from the reaction of Karmelz personnel that Raab would not welcome this opposition in the slightest, in contrast with his indifference to attacks from the Socialists and the VdU.

7. In passing, [ ] stated that Raab has several times commented that he would not visit Moscow while Austrian prisoners were still in the USSR, but he did intend to visit London and New York within the next few months.

Washington

In discussing Raab's neutralist inclination, [ ] also commented that he expected the SIGMA to support those of Raab's measures which were directed at obtaining a state treaty because of the undoubted popularity of this objective. By the time a state treaty could materialize from a neutralist policy, however, [ ] feared that the drift toward neutralism would have gone too far to be arrested easily and quickly.

b. With respect to Gruber, [ ] mentioned that it was not clear whether he was at present in a weak or a strong position, and for that reason Gruber's book was being published at this time. Except for the last two chapters, which admit the possibility of a neutral stand for Austria, the book is a defense of Gruber's policy over the past eight years of siding with the West.

Personal:

8. To the question of whether [ ] was as close to Gruber as he had been in earlier years, [ ] commented that they discussed matters with each other, but that since he, himself, was now 80 per cent a businessman, they did not meet frequently, and Gruber did not always discuss pressing problems of foreign policy as before.

Administration:

9. Nothing to report.

Communications:

10. No definite date was established for the next meeting.

Security:

11. Nothing to report.

Case Officer Comment:

12. None.

Distributions:

1 DCOP  
✓ 2 KE  
1 Grover  
1 Oratlas  
1 RO  
1 Minoso